Finance 303 - Section 06 (CRN: 30094)
Business Finance
Summer (Maymester) 2021

Instructor
Dr. Mark K. Pyles

Class
Online Education

Office
Online

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Office Hours
10:00 AM -12:00 PM and 9:00-10:00 PM Tuesday and Thursday and by appointment.

Description
This course presents the fundamental concepts of corporate finance. Special attention will be given to the financial administrator’s role in the area of working capital, capital budgeting, and financing decisions, including international investment and financial considerations.

Prerequisites
ACCT 203, ACCT 204, ECON 200, ECON 201, and MATH 104 or 250. DSCI 232 is recommended.

COURSE OBJECTIVES
Objectives
The overall learning objective in this course is for you to develop a framework for financial analysis that will enable you to make sound career and personal financial decisions, and prepare you for further studies in business.

Theoretical/Analytical knowledge will be developed in the areas of:
- Working capital management
- Value of the firm’s assets
- Risk and return
- Financial leverage and the cost of capital
- Capital budgeting
- Dividend policy
- International finance

Practical competencies will be developed in:
- Financial statement analysis techniques
- Time value of money calculations
- Capital budgeting analysis techniques
- Financial planning/forecasting techniques
- Stock and bond valuation techniques
- Cost of capital calculations
**SB Objectives**

Consistent with the goals of the School of Business, this course includes instruction in:

*Quantitative Fluency:* This course requires extensive application of mathematical theory and practice. Students will be required to use standard algebraic calculations to solve realistic financial questions. Students will recognize that a level of quantitative proficiency is necessary to successfully run the financial operations of a firm.

*Global and Civic Responsibility:* Students will be asked to solve problems related to ethical dilemmas, encapsulated in financial problems. They will be asked to view issues through different lenses and gain an appreciation for the complexities involved in addressing financial situations in a global economy.

*Intellectual Innovation and Creativity:* Careful attention will be devoted to placing students in a position where they must utilize resourcefulness and creativity in solving problems related to the global financial world. Questions will be asked in ways that require the students to use the materials learned in a variety of ways, rather than simply requiring repetition of known processes.

*Synthesis:* This course requires knowledge from the associated disciplines of accounting, economics, and statistics. As such, students are expected to apply a level of proficiency in those subject areas in their understanding of financial principles and applications.

**COURSE MATERIALS**

*Textbook*

Primary Text: *Fundamentals of Corporate Finance* by Ross, Westerfield, and Jordan, 12/e.


*Calculator*

A basic scientific calculator is required. A financial calculator with functions such as present value and internal rate of return is optional, but recommended. If you buy a new one, I highly recommend the TI BA II Plus. It is inexpensive and is considered very easy to use.

**COURSE PRACTICES**

Since this is a purely online course students enrolled in the course should expect a relatively heavy workload. The condensed nature of the course and the quantitative nature of the materials make it imperative that students carefully monitor their progress. It is expected that students complete the required materials on a daily basis, which requires daily logins and active maintenance of your account.

The course is divided into three modules (see the schedule at the end of this document). Upon completion of each module, an examination will be administered. Each module
will contain between four and six chapters, where each chapter will be broken into approximately 3-4 short lectures. Recall that due to the nature of the Maymester term, the amount of material presented each day is considerably more than a typical semester course. Students should understand this and budget time accordingly. The standard practice will be for two chapters worth of lectures to be made available daily. Students are required to complete quizzes through OAKS and write summaries on each lecture before being allowed access to the subsequent lecture. Put simply, it is a ton of work over a relatively short amount of time. However, the schedule does include breaks to recover as much as possible; so as long as you allocate time adequately this is a way to get a difficult class out of the way in a very brief amount of time.

The lectures themselves are a combination of webcam recordings, PowerPoint slides with voice-over dialogue (the bulk of the material) and screen capturing recordings (using software such as Excel, or showing examples of webpages of relevance).

**COMMUNICATION**

*From Professor*
I will update the News feed with a brief description of what the upcoming day’s lectures will entail. In addition, I will send email messages to the class at large regarding important announcements. It is expected that you log into OAKS and check your OAKS registered email account daily. Any relatively personal communication to students will be done via email message.

*With Professor and Classmates*
It is my hope that each of you feels comfortable contacting me regarding any aspect of the course. It is my goal to provide a valuable learning experience with ample resources available at your disposal. If there is an issue you feel the entire class will benefit from discussing, there will be a discussion board module opened for each lecture. Students are highly encouraged, and expected, to participate in these board discussions. If there is an issue you feel is better discussed one-on-one with me, you may email at any time. My response rate on emails will be no more than 24 hours. If there is a case where the student would be more comfortable using video meeting software (such as Skype, Zoom, or Facetime), that can be arranged as well.

*Office Hours*
My stated office hours represent times where I will be actively monitoring the computer for emails, messages, or requests from students. Communication in this regard can be done via email, telephone, or video meeting software. During the posted office hours, students can expect responses in very short order. If students are unavailable during the posted office hours, they can request a different virtual meeting time and the request will be accommodated as best as possible.

*COURSE POLICIES*

*Attendance Policy*
Naturally, with an asynchronous course offering, the concept of attendance takes a different meaning. You will not be able to pass the course without being in “attendance”
virtually, and the instructor reserves the right to include this information in determining the student’s participation in the course and the corresponding grade impact (see “Assignments”).

Honor Code
Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The F is permanent. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration--working together without permission-- is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others’ exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the Student Handbook at https://deanofstudents.cofc.edu/honor-system/studenthandbook/.

Students with Disabilities
The College will provide reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services/SNAP, located on the first floor of the Lightsey Center, Suite 104; https://disabilityservices.cofc.edu. Students approved for accommodations are responsible for notifying me as soon as possible and for contacting me one week before accommodation is needed.
ASSIGNMENTS

Exams
There will be three non-cumulative exams worth 100 points each. The exams will be posted following the completion of each module. Students must successfully pass each lecture-ending quiz before they can access the exam. To take the exam, students must access the document, print and complete the exam, and then scan and upload via dropbox. Note this requires the access of a printer and scanner. Alternatively, the student can take a photo of their completed documents and upload, provided the quality is sufficient for clear examination. The student will have a maximum of two hours from the time of access to the time of upload. Each exam will be available to access for a 24-hour period.

Homework
Homework will not be regularly assigned and/or graded. However, the instructor will make concerted effort to provide suggested homework from the text as supplemental learning materials.

Quizzes
There will be 14 quizzes, one at the end of each lecture. The quizzes must be completed before the student can access the following lecture. Materials covered on the quizzes will be relatively basic as they are designed to ensure the student has an adequate grasp of the general concepts presented in the lecture. Each quiz will be worth 10 points.

Chapter Summaries
At the completion of each of the 14 chapters, each student must complete a one-page summary of the primary material in that chapter. These will be graded not only on effort, but upon the student’s ability to cohesively and articulately summarize the primary topic points of that chapter. The goal is for the student to write as if they are explaining to someone not well-versed in finance. In other words, simply copying talking points from the lectures will warrant low grades. Deductions for poor grammar/exposition will also be made. Each summary will be worth 5 points and will be graded at the completion of each of the three modules.

Class Participation
Class participation is particularly important in this online setting. Students are expected, and in some cases required, to participate in discussion forums. These forums will be of two types. First, each lecture will have an open forum where students and instructor can cover any aspect of the lecture they feel needs further attention. Students are expected to actively participate, although they are not required to, in each discussion forum. In addition to the lecture forums, the professor will also post required discussion questions. There will be 2-3 of these questions during the semester and each student is expected to contribute something to the conversation. Total points available for participation in this course is 25 points, based upon the instructor’s observation of each student’s participation in both avenues.
<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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<tbody>
<tr>
<td>Exams (3 * 100 pts. each)</td>
<td>300</td>
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<tr>
<td>Quizzes (14 * 10 pts. each)</td>
<td>140</td>
</tr>
<tr>
<td>Summaries (14 * 5 pts each)</td>
<td>70</td>
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<tr>
<td>Class Participation</td>
<td>25</td>
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<td><strong>Total</strong></td>
<td><strong>535 Points</strong></td>
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Letter grades are assigned as follows:

- **A** = 90% - 100%  
  (479-535 pts.)
- **B** = 80% - 89%    
  (425-478 pts.)
- **C** = 70% - 79%    
  (372-424 pts.)
- **D** = 60% - 69%    
  (318-371 pts.)
- **F** = below 60%    
  (below 318 pts.)
**Tentative Class Schedule:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Chapter</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Module 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 17</td>
<td>1</td>
<td>Introduction to corporate finance</td>
</tr>
<tr>
<td>May 17</td>
<td>2</td>
<td>Financial statements</td>
</tr>
<tr>
<td>May 18</td>
<td>3</td>
<td>Working with financial statements</td>
</tr>
<tr>
<td>May 18</td>
<td>4</td>
<td>Long-term financial management and growth</td>
</tr>
<tr>
<td>May 19</td>
<td>5</td>
<td>Time value of money</td>
</tr>
<tr>
<td>May 19</td>
<td>6</td>
<td>Discounted cash flow valuation</td>
</tr>
<tr>
<td>May 20</td>
<td>-</td>
<td>Catch-up</td>
</tr>
<tr>
<td>May 21</td>
<td>Exam</td>
<td><strong>EXAM #1: Chs. 1-6</strong></td>
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<tr>
<td><strong>Module 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 24</td>
<td>7</td>
<td>Interest rates and bond valuation</td>
</tr>
<tr>
<td>May 24</td>
<td>8</td>
<td>Stock valuation</td>
</tr>
<tr>
<td>May 25</td>
<td>9</td>
<td>NPV and other investment criteria</td>
</tr>
<tr>
<td>May 25</td>
<td>10</td>
<td>Making capital investment decisions</td>
</tr>
<tr>
<td>May 26</td>
<td>-</td>
<td>Catch-up</td>
</tr>
<tr>
<td>May 27</td>
<td>Exam</td>
<td><strong>EXAM #2: Chs. 7-10</strong></td>
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<tr>
<td><strong>Module 3</strong></td>
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<tr>
<td>May 28</td>
<td>12</td>
<td>Some lessons from capital market history</td>
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<tr>
<td>May 31</td>
<td>-</td>
<td>Memorial Day – no classes</td>
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<tr>
<td>June 1</td>
<td>13</td>
<td>Some lessons from capital market history</td>
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<td>June 1</td>
<td>14</td>
<td>Cost of capital</td>
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<tr>
<td>June 2</td>
<td>16</td>
<td>Financial leverage and capital structure policy</td>
</tr>
<tr>
<td>June 3</td>
<td>-</td>
<td>Catch-up</td>
</tr>
<tr>
<td><strong>June 4</strong></td>
<td>Exam</td>
<td><strong>EXAM #3  Chs. 12, 13, 14, 16</strong></td>
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